

BLUE CROSS OF NORTHEAST OHIO
FINANCIAL AND STATISTICAL STATEMENTS
DECEMBER, 1966

BOARDS

MRB

9 368.42

12 6258



EXHIBIT 1

ASSETS
December 31, 1966

CASH

Deposits in Commercial Accounts.....	\$ 7,045,330.27	
Savings Deposits at Interest.....	627,955.42	
On Hand.....	<u>600.00</u>	
		\$ 7,673,885.69

INVESTMENTS

United States Government Securities.....	24,756,620.86	
Public Utility & Industrial Securities.....	<u>135,363.22</u>	
		24,891,984.08

<u>ACCRUED INTEREST</u>		322,804.40
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ACCOUNTS RECEIVABLE

Group Subscribers.....	4,089,880.64	
Medical Mutual of Cleveland, Inc.....	115,710.27	
Ohio Medical Indemnity, Inc.....	26,040.58	
Advances for Other Service Plans.....	436,702.02	
Inter-Plan Service Benefit Bank.....	517,831.99	
Prepaid Premiums - Employees' Retirement Plan..	<u>62,961.39</u>	
		<u>5,249,126.89</u>

<u>TOTAL ADMITTED ASSETS</u>		<u>\$38,137,801.06</u>
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MEMORANDUM ACCOUNT - NON-ADMITTED ASSET:

Air Travel Deposit.....	<u>\$ 425.00</u>
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EXHIBIT 2

LIABILITIES AND RESERVES

December 31, 1966

<u>UNEARNED INCOME (LEGAL RESERVE).....</u>	\$ 7,344,531.60
<u>DUE HOSPITALS FOR ACCRUED BILLINGS, INCOMPLETE, UNDISCHARGED AND UNREPORTED CASES.....</u>	10,608,005.30
<u>ACCOUNTS PAYABLE, ACCRUED ACCOUNTS, AND OTHER LIABILITIES</u>	
General Accounts Payable.....	\$ 60,770.04
Deposits for Claims of National Accounts	517,066.68
Unclaimed Checks.....	49,827.26
Medical Mutual of Cleveland, Inc.....	169,870.21
Ohio Medical Indemnity, Inc.....	18,982.70
Income Taxes Withheld from Employees.....	17,432.36
Deposited for Purchase of U.S. Savings Bonds....	1,397.31
Federal and State Social Security Taxes.....	14,802.80
Accrued Employees' Compensation.....	119,561.09
Reserve for Employees' Retirement Plan.....	16,000.00
Special Fund Reserve.....	<u>6,464.65</u>
	992,175.10
<u>RESERVE FOR CONTINGENCIES.....</u>	<u>19,193,089.06</u>
<u>TOTAL LIABILITIES AND RESERVE.....</u>	<u>\$38,137,801.06</u>
Total Persons Protected.....	1,674,791
Contingencies Reserve Per Capita.....	\$11.46
Contingencies Reserve in Months of Hospital and Administrative Expense.....	2.87



EXHIBIT 3

STATEMENT OF INCOME AND EXPENSE
December, 1966

	FIRST HALF	LAST HALF	YEAR TO DATE
<u>INCOME</u>			
Earned Income from subscribers.....	\$55,853,221.31	\$48,469,225.85	\$104,322,447.16
<u>EXPENSE</u>			
Administrative Expense.....	<u>1,344,450.75</u>	<u>1,343,178.19</u>	<u>2,687,628.94</u>
	<u>54,508,770.56</u>	<u>47,126,047.66</u>	<u>101,634,818.22</u>
<u>HOSPITAL SERVICES</u>			
Estimated Incurred Claims for Hospital Care.....	51,689,700.00	38,732,400.00	90,422,100.00
Less: Refunds covering Compensation Claims, etc.....	<u>112,423.95</u>	<u>62,504.23</u>	<u>174,928.18</u>
	<u>51,577,276.05</u>	<u>38,669,895.77</u>	<u>90,247,171.82</u>
<u>TO CONTINGENCIES RESERVE-FROM SUBSCRIBER INCOME</u>	2,931,494.51	8,456,151.89	11,387,646.40
<u>OTHER INCOME AND ADJUSTMENTS</u>			
Income from Investments.....	382,929.34	501,440.26	884,369.60
Alteration Expense.....	<u>-81,243.26</u>	<u>-77,328.43</u>	<u>-158,571.69</u>
	<u>301,686.08</u>	<u>424,111.83</u>	<u>725,797.91</u>
<u>ADDITION TO CONTINGENCIES RESERVE FROM 1966 OPERATIONS</u>	3,233,180.59	8,880,263.72	12,113,444.31
<u>ADJUSTMENT TO CONTINGENCIES RESERVE DUE TO DETERMINATION OF ACTUAL HOSPITAL SERVICES INCURRED LAST HALF 1965</u>	34,009.09	-0-	34,009.09
<u>ADJUSTMENT TO CONTINGENCIES RESERVE TO REDUCE HOSPITAL SERVICE INCURRED, FIRST HALF 1966</u>	-0-	266,710.58	266,710.58
<u>TOTAL ADDITION TO CONTINGENCIES RESERVE..</u>	<u>\$ 3,267,189.68</u>	<u>\$ 9,146,974.30</u>	<u>\$ 12,414,163.98</u>



EXHIBIT 13

STATEMENT OF OPERATIONS - 1934 TO DATE December 31, 1966

	1934-1963	YEAR 1964	YEAR 1965	YEAR TO DATE 1966	JULY 1, 1934 TO DECEMBER 31, 1966
<u>INCOME FROM SUBSCRIBERS</u>	\$812,509,825.59	\$97,697,744.84	\$99,386,366.79	\$104,322,447.16	\$1,113,916,384.38
<u>ADMINISTRATIVE EXPENSE</u>	27,262,767.41	2,002,647.96	2,189,442.23	2,687,628.94	34,142,486.54
	785,247,058.18	95,695,096.88	97,196,324.56	101,634,818.22	1,073,773,897.84
<u>HOSPITAL SERVICES INCURRED</u>	782,932,782.86	94,667,471.12	99,569,797.47	89,980,461.24	1,067,150,512.69
	2,314,275.32	1,027,625.76	-2,372,872.91	11,654,356.98	12,623,385.15
<u>OTHER INCOME LESS OTHER DEDUCTIONS</u>	4,412,881.55	756,953.84	674,070.61	725,797.91	6,569,703.91
<u>TO CONTINGENCIES RESERVE</u>	\$ 6,727,156.87	\$ 1,784,579.60	\$-1,698,802.30	\$ 12,380,154.89	\$ 19,193,089.06

PERCENTAGE DISTRIBUTION OF SUBSCRIBER INCOME

<u>HOSPITAL SERVICES INCURRED</u>	96.36	96.90	100.19	86.25	95.80
<u>ADMINISTRATIVE EXPENSE</u>	3.36	2.05	2.20	2.58	3.07
<u>CONTINGENCIES RESERVE</u>	.28	1.05	-2.39	11.17	1.13
	100.00	100.00	100.00	100.00	100.00
Persons Protected	1,710,422	1,719,330	1,728,436	1,674,791	
Contingencies Reserve Per Capita	\$3.93	\$4.95	\$3.94	\$11.46	
Contingencies Reserve in months of Hospital and Administrative Expense	.88	1.02	.79	2.87	

Cleveland Blue Cross began operations July, 1934.
Akron Blue Cross began operations January, 1937.



EXHIBIT 14

SUBSCRIBERS
December 31, 1966

	<u>PROTECTED (A)</u>				<u>SERVED (B)</u>	<u>TOTAL</u>
	<u>BLUE CROSS</u>	<u>FULL SERVICE</u>				
	<u>65</u>	<u>INDIV.</u>	<u>FAMILY</u>	<u>COMBINED</u>		
<u>PERSONS PROTECTED AND SERVED</u>						
Previous Month.....	127,414	181,214	1,357,386	1,666,014	70,649	1,736,663
Additions.....	855	2,962	4,960	8,777	447	9,224
As of this Date.....	<u>128,269</u>	<u>184,176</u>	<u>1,362,346</u>	<u>1,674,791</u>	<u>71,096</u>	<u>1,745,887</u>

CONTRACTS

Previous Month.....	127,414	181,214	374,757	683,385	25,331	708,716
Additions.....	855	2,962	1,511	5,328	233	5,561
As of this Date.....	<u>128,269</u>	<u>184,176</u>	<u>376,268</u>	<u>688,713</u>	<u>25,564</u>	<u>714,277</u>

AT END OF CALENDAR YEAR

<u>PROTECTED (A)</u>			<u>PROTECTED (A)</u>			<u>PERSONS SERVED (B)</u>
<u>YEAR</u>	<u>CONTRACTS</u>	<u>PERSONS</u>	<u>YEAR</u>	<u>CONTRACTS</u>	<u>PERSONS</u>	
1934	3,220	3,220	1950	542,807	1,258,858	
1935	18,473	18,473	1951	566,388	1,351,566	
1936	42,500	42,500	1952	599,716	1,434,332	
1937	91,654	91,654	1953	625,723	1,557,370	
1938	116,974	173,944	1954	634,535	1,581,975	
1939	171,212	316,425	1955	662,865	1,697,557	
1940	238,027	464,979	1956	670,460	1,733,542	
1941	304,808	617,294	1957	674,141	1,778,509	
1942	332,284	697,595	1958	666,132	1,770,623	
1943	369,350	786,387	1959	683,681	1,825,097	
1944	399,731	854,274	1960	672,701	1,801,331	43,870
1945	401,889	870,241	1961	663,820	1,780,567	43,870
1946	473,163	1,036,063	1962	651,235	1,742,035	43,870
1947	489,381	1,083,538	1963	643,245	1,710,422	68,507
1948	490,775	1,102,656	1964	646,084	1,719,330	72,885
1949	493,275	1,130,716	1965	655,254	1,728,436	74,518

(A) Persons are considered protected if B.C.N.O. has issued the contract to the subscriber.

(B) Persons are considered served if another Blue Cross Plan has issued the contract to the subscriber under a National Plan and B.C.N.O. has agreed with the Plan to service the hospital benefits for the local subscribers.



